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TO: James J. Tyler, Jr., Director
Human Resources Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 29, 2008

RE: 2008-2009 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2008-2009 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, April 30, 2008 at 1:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Norman White, Finance Department Director
Pamela Scales, Budget Department Director
Ervin Stewart, Budget Department Team Leader
Kerwin Wimberly, Mayor's Office

Human Resources (28)

FY 2008-09 Budget Analysis by the Fiscal Analysis Division

Summary

The Human Resources Department is a General Fund agency. The Mayor's 2008-09 recommended budget of \$25.2 million reflects a \$2.6 million (11.8%) increase from the current fiscal year.

2007-08 Surplus/(Deficit)

The Mayor has estimated a net surplus of \$449,000 for the Human Resources Department. The surplus consists of an appropriation surplus of \$2.37 million due to vacancies in the Apprentice Program, which is offset by a revenue deficit of \$1.92 million also derived from vacancies in the Apprentice Program.

Overtime

The Human Resources Department's 2007-08 current overtime budget is \$546,400. The department has spent \$427,136 (78.17%) on overtime through March 31, 2008. The recommended budget for overtime in FY 2008-09 is \$652,856 a \$106,456 (19.48%) increase.

Personnel and Turnover Savings

The Mayor recommends a net increase of 13 positions in the 2008-09 recommended budget. Six (6) positions will be added for the DHRMS HR/Payroll Project, four (4) positions to Labor Relations-Contract Negotiations and Benefits Division, two (2) positions to the Apprentice Administration Unit and one (1) clerical position to the Employee Assistance Unit.

The Mayor has recommended no turnover savings for the Human Resources Department in fiscal year 2008-09.

The following is information by appropriation comparing FY 2007-08 positions, March 31, 2008 filled positions and FY 2008-09 recommended positions.

| <u>Appropriation/Program</u> | <u>Redbook Positions FY 2007-08</u> | <u>Filled Positions 3/31/2008</u> | <u>Mayor's Budget Positions FY 2008-09</u> | <u>Over/(Under) Actual to 07/08 Budget</u> | <u>Mayor's Recommended Turnover</u> |
|-----------------------------------|---|---|--|--|---|
| Human Resources (28): | | | | | |
| 280008 HRMS | 0 | 0 | 6 | 0 | \$ - |
| 280110 Administration | 12 | 10 | 12 | (2) | \$ - |
| 280153 Records | 5 | 5 | 5 | 0 | \$ - |
| 280154 Employee Assistance Center | 0 | 0 | 1 | 0 | \$ - |
| 280311 Employee Development | 6 | 5 | 6 | (1) | \$ - |
| 00105 Administration | 23 | 20 | 30 | (3) | \$ - |
| 280400 Employment Services | 14 | 13 | 14 | (1) | \$ - |
| 280410 Recruitment & Selection | 0 | 0 | 0 | 0 | \$ - |
| 280415 Test Development | 0 | 0 | 0 | 0 | \$ - |
| 280420 Employment Certification | 0 | 0 | 0 | 0 | \$ - |

| | | | | | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------|-----------------|
| 280430 Classification & Compensation | 0 | 0 | 0 | 0 | \$ | - |
| 00106 Personnel Selection | 14 | 13 | 14 | (1) | \$ | - |
| 00107 Supportive Services | 0 | 0 | 0 | 0 | \$ | - |
| 280510 Econ. Union Contract Provisions | 4 | 4 | 5 | 0 | \$ | - |
| 280520 Benefits Administration | 14 | 13 | 15 | (1) | \$ | - |
| 280530 L.R. Administration | 4 | 4 | 5 | 0 | \$ | - |
| 280540 Non-Econ. Union Contract Prov. | 4 | 2 | 5 | (2) | \$ | - |
| 00108 Labor Relations | 26 | 23 | 30 | (3) | \$ | - |
| 280010 Employee Svcs. - Administration | 2 | 2 | 2 | 0 | \$ | - |
| 280011 Employee Svcs. - Water | 21 | 19 | 21 | (2) | \$ | - |
| 280020 Employee Payroll | 53 | 50 | 58 | (3) | \$ | - |
| 280021 Emp. Svcs. Cust./Comm. Svcs. | 7 | 6 | 7 | (1) | \$ | - |
| 280022 Emp. Svcs.-Municipal Svcs. | 12 | 10 | 12 | (2) | \$ | - |
| 280023 Emp. Svcs.-Administrative Svcs. | 4 | 4 | 4 | 0 | \$ | - |
| 280035 Communications/Municipal Services | 0 | 0 | 0 | 0 | \$ | - |
| 280040 Cultural | 0 | 0 | 0 | 0 | \$ | - |
| 280050 Human Services | 0 | 0 | 0 | 0 | \$ | - |
| 280060 Municipal Services I | 0 | 0 | 0 | 0 | \$ | - |
| 280070 Public Safety I | 0 | 0 | 0 | 0 | \$ | - |
| 280080 Public Safety II | 0 | 0 | 0 | 0 | \$ | - |
| 280090 Staff Depts./Appointive Elective | 0 | 0 | 0 | 0 | \$ | - |
| 280610 Emp. Svcs.- Sewerage | 7 | 5 | 7 | (2) | \$ | - |
| 280685 Utilities | 0 | 0 | 0 | 0 | \$ | - |
| 280690 Employee Svcs.- DOT | 15 | 12 | 10 | (3) | \$ | - |
| 00833 Employee Services | 121 | 108 | 121 | (13) | \$ | - |
| 00854 Hearings & Policy Development | 3 | 3 | 3 | 0 | \$ | - |
| 280331 Apprentice Training Program | 80 | 38 | 80 | (42) | \$ | - |
| 280335 Apprentice Administration | 1 | 1 | 3 | 0 | \$ | - |
| 10549 Apprentice Training Program | 81 | 39 | 83 | (42) | \$ | - |
| 28XXXX Interns | 0 | 2 | 0 | 2 | \$ | - |
| 28XXXX Leave of Absence | 0 | (4) | 0 | (4) | \$ | - |
| 28XXXX Worker's Comp. | 0 | (1) | 0 | (1) | \$ | - |
| 28XXXX Unmatched Positions | 0 | 1 | 0 | 1 | \$ | - |
| TOTAL | <u>268</u> | <u>204</u> | <u>281</u> | <u>(64)</u> | <u>\$</u> | <u>-</u> |

Significant Funding by Appropriation

Appro. Program

00105 Administration This appropriation increases by \$792,490 in FY 2008-09. The increase is due primarily to a \$729,901 increase resulting from the creation of org 28-0008 HRMS, which includes the salary & benefits costs associated with six positions; a \$50,604 increase in org 28-0311 Employee Development, a \$46,487 increase in org 28-0154 Employee Assistance Center, due to the costs associated with the creation of one (1) office assistant III position; a \$14,031 increase in org 28-0153 Records, offset by a \$48,533 decrease in org 28-0110 Administration.

| | | |
|-------|--------------------------------|--|
| 00106 | Personnel | Appropriation increases by \$56,138 due primarily to a \$34,938 increase in org 28-0400 Employment Services, due primarily to \$39,307 increase in salaries-full-time, offset by \$4,369 in employee benefit decreases; and a \$21,200 increase in org 28-0450 Student Programs-Interns and its corresponding personal service contract increase. |
| 10549 | Apprentice Training Program | This appropriation increases by \$688,015. The majority of the increase is due to an increase in org 28-0331 Apprentice Training Program of \$551,591, due a \$409,000 increase in wages-fulltime and a \$142,000 increase in benefits. Also included, is a \$136,424 increase in org 28-0335 Apprentice Administration, due to salary and benefit increases resulting from the creation of two (2) new positions (one Administrative Assistant Grade II and one Office Assistant II). |
| 00108 | Labor Relations | This appropriation increases by \$628,718 and four fte's in FY 2008-09. The increase is due primarily to a \$235,181 increase in org 28-0530 Labor Relations Administration, a \$191,061 increase in org 28-0520 Benefits Administration, a \$113,692 increase in org 28-0540 NonEconomic Union Contract Provision and a \$88,784 increase in org 28-0510 Economic Union Contract Provisions. |
| 00833 | Employee Services | This appropriation increases by \$433,664 in FY 2008-09. The increase is due primarily to a \$372,826 increase in salary & wages and a \$60,838 increase in employee benefits. |
| 00854 | Hearing and Policy Development | This appropriation increases by \$66,673 in the 2008-09 FY, due to salary & wages and benefits increases in org 28-0551 Non Union Hearings. |

Significant Revenue Changes by Appropriation and Source

Appro. Program

| | | |
|-------|-----------------------------|---|
| 10549 | Apprentice Training Program | This revenue appropriation increases by \$688,015, due to corresponding appropriation increase. |
| 00833 | Employee Services | Revenues increases slightly by \$5,281 in FY 2008-09. |

Budgeted and Contractual Services by Activity

Human Resources (28)

| Budgeted Professional and Contractual Services by Activity | FY 2007-08 Budget | FY 2008-09 Recommended | Increase (Decrease) |
|---|----------------------------|----------------------------|-------------------------|
| Administrative Services | \$ 265,173 | \$ 227,040 | \$ (38,133) |
| Employee Services Group Organization | 88,800 | 110,000 | 21,200 |
| Labor Relations | - | - | - |
| Employee Services | 620,000 | 700,000 | 80,000 |
| Hearings & Policy Development | - | - | - |
| | 30,000 | 30,000 | - |
| Total | <u>\$ 1,003,973</u> | <u>\$ 1,067,040</u> | <u>\$ 63,067</u> |

Professional and Contractual Services in the Human Resources Department increase by \$63,067 (6.28%) in 2008-09.

Issues and Questions

The Mayor recommends a net increase of 13 positions for the Human Resources Department for the 2008-09 FY.

- Why is there no turnover savings allocated for the department for the 2008-09?

Six (6) positions will be added for the DHRMS HR/Payroll Project.

- Please describe the DHRMS HR/Payroll Project, state when the department anticipates the project will be fully operational, and what is needed to complete its implementation?
- How will the DHRMS HR/Payroll Project impact the day-to-day operations in the department and improve efficiency?
- When does the department anticipate it will fill the six new positions required to implement the DHRMS HR/Payroll Project? Also, once they are hired, how long will their training period last?

The Mayor recommends the addition of four (4) positions to Labor Relations-Contract Negotiations and Benefits Division, two (2) Labor Relations Spec. II, one (1) Manager II – Benefits, and one (1) Business System Support Specialist.

- How does the department project the additions will impact the daily operations of Labor Relations-Contract Negotiations and Benefits Division? What will their daily duties entail?
- What was the department's rationale for creating four new positions in the Labor Relations-Contract Negotiations and Benefits Division?
- When does the department anticipate it will fill the four new positions the Labor Relations-Contract Negotiations and Benefits Division?

The Mayor also recommends the creation of two new positions in the Apprentice Administration Unit, one Administrative Assistant Grade II and one Office Assistant II.

- Given the fact that historically, the department's apprentice program has had numerous vacancies, what was the department's rationale for creating two new positions in the Apprentice Administration Unit?
- What are the proposed duties for the two anticipated additions to the Apprentice Administration Unit?
- When does the department anticipate it will add the two new hires to the Apprentice Administration Unit and what is their anticipated impact on the department's day-to-day operations?

Employment Services Group

Page 28-6 One of the stated goals is to: **Continue to reduce the City's unemployment costs by auditing, processing claims timely and ensuring that the City receives appropriate restitution.**

- How has the department progressed in meeting the goal of reducing the City's unemployment costs and has the department's efforts been successful?

Page 28-7 Goals Measures: Units of activity or service demands made:

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Projection | 2008-09 Target |
|---|-------------------|-------------------|-----------------------|-------------------|
| Open competitive examinations administered (written/demo/oral appraisal) | 900 | 900 | 2,000 | 2,000 |
| Percent change | N/A | 0% | 122.2% | 0% |

- How has the department fared in reaching the projected increase of 1,100 open competitive examinations administered, as indicated in the chart above for the current 2007-08 FY?

Provide a list of all fees and charges made by the Human Resources Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change. Indicate if the fee or charge was reviewed as part of the city-wide fee study conducted by Maximus. If the fee was included in the study what was the recommendation? Has the recommendation been implemented? If not provide an explanation of why the recommendation was not implemented?

Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, identify what the activities are. Example, the Mayor's Office has established a non-profit organization in connection with Next Detroit Neighborhood Initiative Program.

Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? If so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Recreation

Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.

Why is the department requesting an increase in next year's overtime budget?

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